

PENNICHUCK CORPORATION  
BOARD OF DIRECTORS  
MINUTES OF MARCH 22, 2019 MEETING

A regular meeting of the Board of Directors of Pennichuck Corporation (the “Company”) was held on Friday, March 22, 2019 at 8:10 a.m. at the Company’s offices at 25 Manchester Street, Merrimack, New Hampshire.

Written materials relating to items listed in the Agenda were provided to the Board members for their review prior to the meeting.

The following Directors were present for the meeting, constituting a quorum:

Thomas J. Leonard, Chairman  
David P. Bernier (telephonically)  
C. George Bower  
James P. Dore  
Elizabeth A. Dunn  
Stephen D. Genest  
John D. McGrath  
John M. Murphy  
Preston J. Stanley, Jr.

Also attending all or a portion of the meeting from the Company were:

Larry D. Goodhue, Chief Executive Officer  
Donald L. Ware, Chief Operating Officer  
Mary V. DeRoche, HR Director  
Suzanne L. Ansara, Corporate Secretary  
Carol Ann Howe, Assistant Treasurer  
George Torres, Corporate Controller  
Bernard Rousseau, Vice President, PWSC  
John Boisvert, Chief Engineer

D. Bernier stated the reason he was unable to attend the meeting in person, that he was alone and could hear the proceedings.

S. Ansara recorded the minutes of the meeting.

The Chairman called the meeting to order.

Approval of Minutes

There being no comments on the draft minutes of the February 22, 2019 Board meeting, on motion duly made by J. Dore and seconded by J. McGrath, all of the Directors present then voting, it was unanimously

Resolved: that the minutes of the February 22, 2019 meeting of the Board of Directors are hereby approved.

#### Capital Expenditures / Pumpage

G. Torres reviewed the summary of capital expenditures and pumpage chart as of February 2019. Capital expenditures of \$283,000 were above the budgeted amount of \$60,000. Pumpage for the month of February (240 million gallons) was below budget (253 million gallons).

#### Dividend

L. Goodhue indicated that management is recommending that the Board approve the payment of a quarterly dividend to the City of Nashua. The dividend will supplement the monthly interest and note payment made by the Company to the City of Nashua for the funding of the City's acquisition debt.

On motion duly made by J. Dore and seconded by J. McGrath, all of the Directors present then voting, it was unanimously

Resolved: that a dividend in the amount of \$69,748.09 be paid to the sole shareholder of record, the City of Nashua, New Hampshire, on April 25, 2019.

There was a discussion relative to stockholder equity.

#### Report of the Nominating Committee

E. Dunn, Chairman of the Nominating and Governance Committee, gave a report on the Committee's March 22, 2019 meeting. She reported that the Committee reviewed the draft proxy material for the 2019 Annual Meeting of Sole Shareholder. E. Dunn indicated that the Committee is recommending that the Board approve the draft proxy materials, copies of which were included in the written materials to the Board.

#### Proxy Material for 2019 Annual Meeting of Sole Shareholder

On motion duly made by J. McGrath and seconded by J. Murphy, all of the Directors present then voting, it was unanimously

Resolved: that the draft Proxy Card, Notice of Annual Meeting and Proxy Statement for the 2019 Annual Meeting of Sole Shareholder, as presented at this meeting, are hereby approved; and that the Chief Executive Officer and the Corporate Secretary are each hereby authorized to make such changes as they deem necessary and appropriate.

## Report of the Audit, Finance and Risk Committee

J. Dore, Chairman of the Audit, Finance and Risk Committee, gave a report on the Committee's March 20, 2019 meeting. He reported that the Committee met with a representative of the Company's auditors, Melanson Heath, to discuss Melanson's audit report and to review in detail the draft of the 2018 audited consolidated financial statements and related notes. The Company received a clean, unmodified opinion from Melanson Heath. The auditors reported that during the audit, there were no disagreements with management, no material deficiencies detected, and no occurrences of fraud identified. The Committee approved the 2018 audited financial statements. The Committee reviewed the Company's draft Annual Report to Sole Shareholder and had no changes or comments. J. Dore reported that the Committee was given a presentation on the 2018 internal control review and testing project. He indicated that 6 control deficiencies were identified but were not significant, and 4 were satisfactorily remediated. A presentation was also given on the internal control review and testing of the Company's emergency plans. Both reviews were accepted by the Committee.

## Annual Report to Shareholder

L. Goodhue referred the Board to the draft Annual Report to Sole Shareholder, a copy of which was included in the written materials. He indicated that the Annual Report will be delivered to the sole shareholder along with the proxy material. The Board had no comments on the draft.

On motion duly made by J. McGrath and seconded by J. Murphy, all of the Directors present then voting, it was unanimously

Resolved: that the draft Annual Report to Sole Shareholder, substantially in the form presented at this meeting, is hereby approved.

## CEO Updates

Pennichuck Water Special Committee – L. Goodhue reported that he, Don Ware and Jay Lustig met with the Special Water Committee of the Board of Aldermen to discuss the Company's request for City approval of the trust fund loan of \$5.5 million for the Merrimack River Intake and for the CoBank loan of \$1.45 million. The Committee voted to recommend to the Board of Aldermen approval of the loans.

Bond Financing – Process is ongoing. Documents are being reviewed and finalized. The Pricing Committee is scheduled to meet on March 27 for a pre-pricing call and on March 28 for final pricing. Closing is scheduled for April 4.

Bond Rating – L. Goodhue referred the Board to the letter received from S&P Global Ratings. S&P revised its rating from A+/stable to A+/negative. A discussion ensued.

TD Bank – L. Goodhue reported that the Company’s primary contact at TD Bank, George Mandt, has left the Bank. He indicated that he has already touched base with Mr. Mandt’s successor and expects no changes in service.

Locke Lake – L. Goodhue reported on a meeting he, John Boisvert and Nate Little had with Locke Lake customers regarding surface water withdrawals and alternatives.

Move to Non-Public Session

J. McGrath moved that the Board enter into non-public session to discuss (i) the promotion or compensation of employees pursuant to RSA 91-A:3, II(a), (ii) matters, which if discussed in public, would likely affect adversely the reputation of a person pursuant to RSA 91-A:3, II(c), (iii) the acquisition, sale or lease of real or personal property, pursuant to RSA 91-A:3, II(d), and (iv) confidential or financial information, pursuant to RSA 91-A:3, II(j). J. Dore seconded the motion.

A roll call of the Directors present was taken, which resulted as follows:

Yea: D. Bernier, G. Bower, J. Dore, E. Dunn, S. Genest, T. Leonard,  
J. McGrath, J. Murphy, P. Stanley

Nay:

Motion was carried to enter into non-public session at 8:30 a.m.

Reconvene in Public Session

The non-public session ended at 11:17 a.m. and the Board reconvened in public session. Present were the Directors and S. Ansara.

J. McGrath moved that the Board seal the minutes of the non-public session under RSA 91-A:3, II(a), RSA 91-A:3, II(c), RSA 91-A:3, II(d) and RSA 91-A:3, II(j). P. Stanley seconded the motion. A roll call of the Directors present was taken, which resulted as follows:

Yea: D. Bernier, G. Bower, J. Dore, E. Dunn, S. Genest, T. Leonard,  
J. McGrath, J. Murphy, P. Stanley

Nay:

Motion was carried to seal the minutes of the non-public session.

There being no further business to come before the Board, the meeting was adjourned at 11:18 a.m.

/s/ Suzanne L. Ansara  
Suzanne L. Ansara  
Corporate Secretary